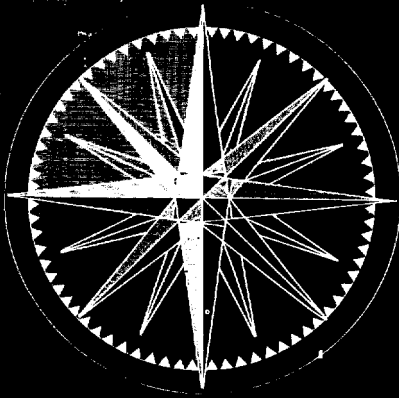


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20 November 1964

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# WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY  
OFFICE OF CURRENT INTELLIGENCE

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## C O N T E N T S

(Information as of 1200 EST, 19 November 1964)

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MOSCOW AND PEIPING SILENT ON CHOU VISIT TO USSR There are some tentative indications that the new Soviet leadership may have agreed to put off next month's preparatory conference to discuss a world Communist meeting. As a concession, Peiping may have agreed to a truce in polemics, although both sides continue indirect attacks.	1
FURTHER CHANGES IN SOVIET TOP LEADERSHIP The latest shifts seem to destroy the fiction of a dual Kosygin-Brezhnev leadership, leaving Nikolay Podgorny now in the best position to act as a brake on Brezhnev's growing power.	3
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UNCODED ASIA-AFRICA (continued) Page

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**COMMUNIST AID TO PAKISTAN**

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Communist countries are promoting economic relations, but their aid and trade remain dwarfed by that of the West.

**AREA NOTE**

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On Sudan

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**AREA NOTE**

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On Israel-Syria

**LEOPOLDVILLE FORCES MOVING AGAINST STANLEYVILLE**

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A 400-mile movement against the rebel capital is underway.

**TANZANIA IN TURMOIL OVER WESTERN "PLOT"**

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Radical elements in Dar es Salaam are using spurious documents to undermine the US position in East Africa and probably to press President Nyerere into giving more active support to dissident movements in the Congo and Malawi, as well as Mozambique.

**EUROPE****THE MLF AND THE ALLIANCE**

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The search for a way to avoid a crisis in the Alliance over the multilateral nuclear force continues, but the resulting delay may itself be lessening the project's chances for success.

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**SECRET**EUROPE (continued)Page**THE EEC AND THE KENNEDY ROUND**

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By an eleventh-hour compromise among themselves, the EEC countries met the 16 November deadline for presenting the exceptions they desire from a general tariff cut, but Kennedy Round negotiators still face hard bargaining in January over this and other important issues.

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**NATIONWIDE MUNICIPAL ELECTIONS IN ITALY**

16

Continuation of center-left government at the national level may well depend on the outcome of the local elections. Significant losses by the Christian Democrats or Socialists, or important gains by the Communists, would precipitate a cabinet crisis, followed by extreme political instability.

WESTERN HEMISPHERE**BOLIVIAN JUNTA MOVES TO WIN PUBLIC SUPPORT**

17

President Barrientos is stumping the provinces, and the junta has abolished the "oppressive" measures and organizations of the ousted Paz regime.

**POTENTIAL FEDERAL-STATE CLASH IN BRAZIL**

18

Attempts by army leaders to oust the leftist governor of Goias have already strained relations between the Castello Branco administration and the important Social Democratic Party, and have brought renewed charges by politicians of undue military influence in civilian affairs.

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**RECENT DEVELOPMENTS STRENGTHEN DOMINICAN REGIME**

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triumvirate president Reid has appointed three new cabinet ministers who will be more responsive to him.

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The Communist World

**MOSCOW STILL FIRM ON UNITED NATIONS DEBT ISSUE**

As the 1 December date for convening the 19th General Assembly approaches, Moscow continues its adamant refusal to pay its peacekeeping arrears to the UN. Soviet ambassadors in several Afro-Asian countries are warning local officials that even an abstention on a showdown vote to deprive Moscow of its General Assembly vote will be considered an "unfriendly act." A particularly strong Soviet pitch in New Delhi has

stressed that the USSR "will not back down" and "will leave the UN completely" if it loses the vote. Three Soviet deputy foreign ministers are touring various capitals in Asia and Africa, probably to press this line. They will probably suggest that the Afro-Asians urge the US to back away from an immediate confrontation on Article 19 when the assembly convenes.

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**MOSCOW AND PEIPING SILENT ON CHOU VISIT TO USSR**

Moscow and Peiping are still noncommittal on the discussions last week between Chou En-lai and the new Soviet leaders. A terse communiqué issued when Chou left Moscow on 13 November merely listed the participants from both sides. TASS added only a brief comment that "the talks were held in a frank, comradely atmosphere."

High-level bilateral contacts, however, have been re-established and some limited agreement on procedural matters may have been achieved. The anniversary celebrations in Moscow gave the Chinese an opportunity to confer with leaders of other parties and to press for a postponement of the December preparatory conference to discuss a world Communist meeting.

The official Yugoslav press service reported on 17 November that the British Communist Party --one of 26 parties invited to Moscow in December--had declared that "if a brief postponement of the committee's work would facilitate China's participation, we think it desirable."

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## The Communist World

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The new Soviet leaders have stressed their intention to continue preparing for a world conference, but they probably feel that agreeing to delay preparations will demonstrate that they sincerely desire to promote unity and solidarity within the Communist movement.

Peiping may have agreed to call a truce in direct polemics and to attend a later preparatory meeting in order to make it easier for Moscow to retreat gracefully on the question of a December conference. Postponement of that meeting was clearly one of Peiping's principal objectives in sending Chou to resume bilateral conversations--broken off in mid-1963. It would enable Peiping to carry on the struggle against the new Soviet leaders while still inside the world Communist movement and from a more advantageous position.

The prospect now seems better for a period of bilateral conversations, designed to work out details for a new preparatory meeting. The problems presented by agenda and composition of the conference are so formidable, however, that considerable delay seems likely.

Major concessions by both sides would be necessary before there would be any prospect for a genuine settlement of differences. These appear unlikely.

Both sides have continued indirect attacks by reiterating their opposing positions on fundamental issues. A Pravda editorial printed the day Chou En-lai left Moscow underscored Soviet views on "peaceful coexistence" which have been repeatedly denounced by Peiping. The editorial declared that Moscow "attached great importance to the development of normal relations with the main capitalist countries, including the US where the recent elections strengthened the positions of more moderate circles." People's Daily on the same day asserted that President Johnson, "far from being a so-called moderate, is a repulsive and vicious chieftain of US imperialism with his fangs bared."

Each side has returned to the tactic of publicizing third-party criticism of the other. The November issue of Problems of Peace and Socialism, published in Prague but controlled by the Soviets, contained an article by the head of the World Peace Council attacking the Chinese for poisoning the atmosphere with their nuclear test explosion. Peiping has been rebroadcasting remarks by Asian Communists critical of the new Soviet leaders.

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The Communist World

**FURTHER CHANGES IN SOVIET TOP LEADERSHIP**

The personnel changes approved by the Soviet party central committee on 16 November seem to have destroyed the fiction of a dual leadership shared by Premier Kosygin and party First Secretary Brezhnev. Unlike Brezhnev, Kosygin does not appear to have benefited. The person now in the best position to act as a brake on Brezhnev's growing power is fellow secretary Podgorny, who also profited by the changes.

Two of Brezhnev's close collaborators on the party secretariat, Aleksandr Shelepin and Petr Demichev, were promoted to full and candidate membership respectively on the ruling party presidium. An erstwhile rival of Brezhnev, Frol Kozlov, was expelled from the presidium and the secretariat "because of illness." Kozlov had been incapacitated since April 1963 but had retained his high party posts, presumably at Khrushchev's behest.

Podgorny's protégé, Ukrainian party boss Petr Shelest, was raised from candidate to full member of the presidium.

The only other casualties were Vasily Polyakov, who had been deeply involved in Khrushchev's recent agricultural schemes, and Khrushchev's son-in-law Aleksey Adzhubey. Polyakov was dropped from the secretariat without explanation and Adzhubey was expelled from the central committee for "mistakes in his work." The central committee also elevated eight of its candidates to full membership, thereby regaining its full

complement of 175 members; the candidates now number 141.

Shelepin bossed the Soviet youth organization during the 1950s. He was named head of the secret police (KGB) in 1958, at a time when Brezhnev was apparently party secretary for police affairs. Shelepin's success in streamlining the KGB and refurbishing its public image was a key factor in his elevation to the party secretariat in 1961. Since 1962 he has also been a deputy premier and chairman of the party-state control committee, which ferrets out and punishes mismanagement in the economy.

Demichev also became a member of the secretariat in 1961. A chemical engineer who rose to head the Moscow party organization, he was chosen to head the central committee bureau for chemical and light industries established in November 1962.

Shelest, a specialist in industrial management, made his career in the Ukrainian party apparatus. He became a secretary in 1962 and succeeded Podgorny as party boss a year later.

In addition to the personnel changes, the plenum reversed Khrushchev's 1962 reorganization of the party into virtually separate organizations for agriculture and industry. Khrushchev had argued at the time that bifurcation would ensure that neither industry nor agriculture would be slighted at the expense of the other. However, it not

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only failed to improve economic performance, but created cumbersome overlapping party units which in turn multiplied the number of vested interests in

the party. For this reason, its dissolution seems likely to cause severe dislocations and uncertainties for some time.

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**CZECHOSLOVAKIA ADOPTS NEW COURSE**

Antonin Novotny is developing an independent course for Czechoslovakia's relations with the USSR and--like Rumania last year--is seeking some sign of US support.

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For two years, party leader Novotny has been gradually acceding to domestic pressures for de-Stalinization. As a result he has reconsolidated his position, and both party and country have experienced change. On the eve of Khrushchev's fall, Czechoslovakia was on the verge of basic economic changes, which were subsequently announced.

Khrushchev's removal gave Novotny an opportunity to express his increased independence. Along with Rumania's Gheorghiu-Dej, Novotny refused to attend the 7 November Moscow celebrations. This followed almost three weeks of Czechoslovak commentary favorable to Khrushchev, leavened with professions of continued friendship for the USSR.

In 1963 when Rumania began its own move toward independence, the immediate object was

to gain recognition for its national economic interests within the Soviet bloc. At this time the Czechoslovak regime does not appear to be in disagreement with the Soviet bloc over such a specific issue. However, Novotny may be motivated in part by a desire to secure a favorable bargaining position with Moscow. Prague has been trying to improve relations and to increase trade with the West. Prague now has suggested an invitation to the US for a high Czechoslovak official, even for an outwardly insignificant event or purpose.

In a move which will probably be interpreted by Eastern Europeans as a gesture of support for Czechoslovakia, Yugoslavia has sent Deputy Foreign Minister Nikezic to Prague for an unpublicized visit of two or three days' duration.

Novotny's loyalty to Khrushchev has enhanced his public and political position at home and reportedly he now has almost the total support of his party. This strength was confirmed in his re-election to the presidency on 12 November.

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Asia-Africa

**UNIFICATION ISSUE AGAIN STIRRING SOUTH KOREANS**

South Korean President Pak Chong-hui's unsteady government is facing increasing public pressure to show some new initiative on the problem of unification with North Korea.

Several unrelated events outside Korea have recently led Koreans to talk and think more explicitly and at greater length than usual about their major political ambition--the ultimate reunification of their country. They see the ouster of Khrushchev, the Chinese Communist nuclear explosion, and the victory of the British Labor Party as signs of change in the world, and there has been considerable criticism, in the press and elsewhere, of the Pak regime's "stagnant" foreign policy. In particular, the lack of progress in negotiations for a settlement of South Korea's problems with Japan is encouraging some Koreans to believe that more could be gained from unification with North Korea than from close association with the Japanese, Korea's former rulers.

Publication of the details of a poignant meeting at the Tokyo Olympics between a North Korean girl athlete and her father, a Seoul resident, dramatized the tragedy of the divided nation for the man in the street. In the flood of emotion that followed, 46 South Korean legislators sponsored a proposal to

establish a family center at Panmunjom where divided families could meet. While government leaders recognize the risk of North Korean propaganda exploitation of such an arrangement, they are unable to oppose the measure openly in the present climate of opinion.

Implicit in the new discussion of unification is a growing conviction that the UN--which in Korea means the US--cannot or will not deal with the problem. The authorities recently removed the editor of a government-subsidized magazine who published articles calling for the withdrawal of US troops from Korea and criticizing the UN formula for unification. The author is suspected to be a Communist, but he is also a friend of President Pak. The President recently has twice felt compelled to reaffirm publicly the "unalterable faith" of the Korean people in the UN for "the ultimate solution of the Korean problem."

Nevertheless, the cabinet decided late last month to establish a permanent committee to study unification. This move is unlikely to satisfy the growing pressures, and proposals for contact of one sort or another with the North and demands for new initiatives probably will increase.

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Asia-Africa

**POSITION OF HUONG GOVERNMENT IN SOUTH VIETNAM**

Premier Huong's vigorous defense of his cabinet against its critics, and his firm stand against student demonstrations in Saigon, have strengthened his image and for the moment quieted overt opposition to South Vietnam's new government. Preoccupation with the task of organizing assistance for victims of the floods and typhoons in central Vietnam is serving further to divert public attention from political infighting.

Although the government's immediate prospects thus appear slightly brighter, it has yet to face a serious challenge. The High National Council is reviewing the cabinet's "formation," but so far remains reluctant either to endorse it or to formally express disapproval. Armed forces leaders have voiced lukewarm support for Huong, but it is by no means clear that they would support him in a crisis.

Viet Cong military activity has declined for the fourth consecutive week, and is currently at the lowest levels since early July. The decline has been particularly evident in the northern coastal provinces. A significant increase in incidents in the south central provinces of Binh Tuy and Khanh Hoa, however, may presage new enemy encroachments into an area once considered comparatively secure.

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**COMMUNIST AID TO PAKISTAN**

Communist countries have been actively promoting economic relations with Pakistan this year. Before last June, Pakistan's only Communist credit was \$30 million for oil exploration given by the USSR in 1961. Since then, it has received credits of \$11 million for Soviet tractors, \$60 million from Peiping for economic development and commodity imports, and \$14 million from Czechoslovakia.

Further credits seem to be in the offing. A Soviet credit to finance equipment for a tractor plant may be discussed later this year, when a Soviet trade team is scheduled to visit Pakistan. In addition, the Pakistanis claim that Peiping will make economic aid available for their third five-year plan, which begins in mid-1965.

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Implementation of the \$60-million Chinese credit is being discussed now in Peiping, and the first Chinese exports under the pact are expected to arrive next spring. Terms are very favorable, calling for interest-free repayment in 30 to 40 years after a "substantial" grace period.

The Czech credit will probably be used to import industrial equipment and products. Pakistani press reports suggest some of it will be used for sugar and cement factories. Repayment is to be made in

eight years at 2.5-percent interest.

Even though Communist aid is up sharply, it does not approach the \$500 million provided by Western countries this year. The West also accounts for most of Pakistan's trade, despite an estimated doubling of trade with Communist states this year. In 1963, trade with bloc countries accounted for only 4 percent of Pakistan's total. Peiping and Karachi recently concluded another barter deal--cotton for cement--while Hungary and Pakistan have agreed to boost trade.

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**AREA NOTE**

Sudan's new civilian rulers, in the face of both internal and external pressures, have not yet been able to establish an effective transitional government. The army now is directly under the control of a four-man civilian council--including the Communist minister of local government--set up last week by the coalition cabinet. Former junta leader Abboud has been ousted from the figurehead position of chief of state assigned him by the new regime, and civilian leaders now are trying to form a presidential council. Within the army the leadership picture is unclear, and there is still a possibility that a growth of Communist influence or prolonged unrest might provoke a military countermove.

The Communists, still numerically weak, will probably attempt to postpone the elections now scheduled for March 1965. They also are likely to use the pre-election months to infiltrate various civilian groups. They might resort to demonstrations and strikes in order to frustrate formation of any permanent government controlled by non-Communists.

The new government also still faces the "southern question"--the rebel separatist movement in the southern Negroid provinces.

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## AREA NOTE

Israel-Syria: The fighting between Israel and Syria on 13 and 14 November was the most serious clash along their embattled border in more than two years. On 13 November Israelis on a road that traverses a sensitive area where the boundary line is disputed drew Syrian fire, touching off the exchange that soon involved tanks, heavy artillery, and jet aircraft. Israeli use of air strikes against

entrenched Syrian positions--the first commitment of air power against ground targets since the Sinai war--led on the following day to an air battle in which both sides claim to have scored some hits. Once again hostilities have subsided and complaints have been submitted to the UN Security Council. As usual, each side accuses the other of starting the fight.

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**LEOPOLDVILLE FORCES MOVING AGAINST STANLEYVILLE**

The Leopoldville government's final push against the Stanleyville rebels is under way. Even if the government forces succeed in rescuing the 800-odd non-Congolese hostages held in Stanleyville, however, they will face the far more difficult task of saving hundreds of other hostages incarcerated in outlying areas.

Mercenary Major Hoare, the force's de facto commander, began his advance from Kindu on 19 November with some 500 troops, including 200 mercenaries who probably will do most of the fighting.

Concurrently with the main push from Kindu, other government columns, spearheaded by mercenaries, are pushing into insurgent-dominated areas. Few, if any, large effective rebel units exist to oppose them. There are several small, relatively competent, insurgent bands operating in the bush, however.

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**TANZANIA IN TURMOIL OVER WESTERN "PLOT"**

African extremists seeking to weaken the Western position in Tanzania have produced forged "documentary evidence" of a Western plot against the Nyerere government and the nationalist liberation movements based in Tanzania. They apparently hope to force President Nyerere into a more radical position on such issues as aid to the dissidents in the Congo, Mozambique and Malawi.

Two of the documents, which the Tanzanian Government apparently obtained in Leopoldville, refer to a US decision to end Chinese Communist subversion in Tanzania by supporting Portuguese plans to bomb strategic points north of Mozambique and by using South African mercenaries employed by Leopoldville to overthrow the Tanzanian Government. The documents appear to be rather crude

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forgeries--the seal on a purported letter from the US Embassy in Leopoldville to the Congolese Foreign Ministry contains sixteen stars instead of thirteen--but their content would be credible to most Tanzanians who firmly believe that the Portuguese intend to carry out their stated threats to retaliate against Tanzania for its support of the Mozambique nationalists. Many East Africans fear that the Leopoldville mercenaries will eventually be used against their own countries.

Nyerere and Foreign Minister Kambona seem to have been persuaded initially of the authenticity of the documents and released them for publication on 10 November along with the disclosure of the "plot." Tanzania's extremists were quick to exploit the charges for their own political purposes. They have been frustrated by the Malawi Government's friendly relations with Portugal, by the limited success of operations in Mozambique, and by the reverses suffered by the Congolese rebels. The leftist-controlled government press--edited by a Ghanaian--has carried bitterly anti-US editorials and distorted Nyerere's statements to lend greater credi-

bility to the plot. Rallies throughout the country have condemned imperialist intrigues and proclaimed solidarity behind Nyerere and the struggle for African liberation.

By associating the US and Leopoldville with South Africa and Portugal, Tanzania's arch-enemy, the radicals are trying to undercut those Tanzanian moderates who believe that Moise Tshombé is gaining in strength and popularity and must be dealt with eventually as the Congo's leader. Nyerere has no use for Tshombé but, because of his commitment to the nonintervention principles of the OAU, he may be the one East African leader not actively supporting the Stanleyville rebels.

Ghana and Algeria, whose ambassadors in East Africa have assisted Congolese rebel foreign minister Kanza in lining up aid for Stanleyville, have been quick to pledge their full support to Tanzania against Western "plotters."

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## A CHRONOLOGY OF DATES AND EVENTS BEARING ON THE MLF AND ITS NATO ASPECTS

4 Nov	Belgian Foreign Minister Spaak in Ottawa conferring with Canadian Foreign Minister Martin at latter's request, on MLF and other NATO matters.	Late Nov- Early Dec	WEU Assembly meets Paris. Will among other things consider draft recommendation of Permanent Defense Committee calling on WEU council: to take initiative in drawing up a common European defense policy in tandem with NATO members; to urge NATO to adopt a single strategic policy to include support and participation in a multilateral nuclear force having a charter compatible with the UN General Assembly resolution against further dissemination of nuclear weapons; also, to urge that any NATO or WEU member unable to participate in such a force (e.g., France) not oppose efforts of others to set the force up within NATO framework.
5 Nov	Italian Foreign Minister Saragat visited UK Foreign Secretary Gordon Walker to discuss NATO and MLF. Generalized joint communiqué said both countries agreed on need for closest possible "nuclear interdependence" within Atlantic Alliance and on "paramount importance of preserving the strength and cohesion" of NATO.	Late Nov	Schroeder due in Washington for talks with US officials on NATO and MLF.
7 Nov	Norway's Foreign Minister Lange to Ottawa for talks with Martin on NATO and MLF.	26-27 Nov	NATO Secretary General Brosio will confer with Wilson in London. Brosio earlier in the fall visited President Johnson. His visit is one of a series to all NATO chiefs of state.
7 Nov	Assistant Secretary Tyler and Senator Fulbright in Belgrade, where they talked with Yugoslav Foreign Minister Popovic. Yugoslavs see only negative consequences flowing from implementation of MLF with German participation. Said US persistence in this course would provide difficulties for new Moscow regime.	1 Dec	Rusk will meet Western foreign ministers in New York for opening of UN General Assembly.
9 Nov	Spaak in Washington for talks with Secretary Rusk on De Gaulle, NATO, and MLF.	Early Dec	Erhard to Paris for a regular semiannual meeting with De Gaulle under the 1963 French-German Treaty of Cooperation.
10 Nov	Prime Minister Wilson meeting in London with leaders of the Socialist International, including Denmark's Prime Minister Krag.	7-8 Dec	Wilson to Washington for "informal working visit" with President Johnson and advisers. Britain has until mid-January to persuade US on accepting modification to the MLF, or else to accept or reject participation in the MLF.
11 Nov	FRG Foreign Minister Schroeder goes to Brussels to attend EEC Council meeting to explain German plans for European unity.	11 Dec	Schroeder to London for a second round of talks with British, who then expected to have definite proposals, as Wilson and Walker will have returned from Washington two days earlier.
11-17 Nov	FRG Defense Minister von Hassel in Washington for talks with Secretary McNamara on the MLF.	15-17 (and possibly 18) Dec	The regular fall NATO ministerial meeting in Paris. Attended this time by defense, finance, and foreign ministers. Will certainly include the MLF as a chief topic for discussion at least in a restricted political session but also very likely confrontations will occur in basic areas of difference (on strategy, force planning, etc.) where French, and some others such as Scandinavians, have differed with US.
12 Nov	Lange in Washington for talks at the Department of State on NATO, MLF.	15 Dec	EEC Council meeting in Brussels, where agreement on a unified grain price is expected by the French. There is strong evidence the French, and perhaps even the Germans, link this matter with MLF.
12-16 Nov	Under Secretary Ball to Berlin and Bonn for talks with Chancellor Erhard on NATO, MLF.	1 Jan 1965	Date Italians and Dutch have set as the earliest they could make a decision to join the MLF.
15 Nov	Gordon Walker to Bonn for talks with Schroeder in attempt to gain German agreement on UK multilateral force ideas.	Mid-Jan	Target date for definitive British action on MLF.
16-17 Nov	WEU ministerial meeting in Bonn, to be chaired by Schroeder, attended by Gordon Walker and other foreign ministers except Couve de Murville and Saragat. Gordon Walker will expose Britain's ideas on multilateral force to the Six.	Mid-Feb	The new timing indicated by the West Germans for signing an MLF agreement after consideration and resolution of the British proposals came as a result of the unanimous decision of the CDU's Bundestag executive committee on 11 November not to press for the original German timetable for a charter by the end of 1964.
16-20 Nov	Meeting of the NATO Parliamentarians Conference at NATO headquarters, Paris. The MLF is expected to dominate the military and political debates. The preliminary draft report of the Parliamentarians' military committee, drawn up by its rapporteur, Dutch General Couzy, attacks the MLF as superfluous, wasteful, impossible of political agreement, and detrimental to nonproliferation and cause of European unity. US Embassy The Hague reports that Dutch Admiral Modran, a member of military committee, says the draft reflects only Couzy views, however, and will be radically changed before it reaches the plenary session and also during the plenary. Couve de Murville to attend and address the conference.	Apr	Target for introduction of MLF charter legislation into Bundestag machinery to allow plenty of time for committee and plenary debate and approval before the Bundestag adjourns on 1 July. If legislation is not put through this session, its next opportunity for Bundestag passage would be some time in 1966.
20-22 Nov	Wilson to be at Chequers for a defense policy planning session with his principal defense, finance, and foreign affairs ministers and officials, to include hammering out his government's position on MLF in preparation for his meeting with President Johnson.		

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Europe

**THE MLF AND THE ALLIANCE**

The search for a way to avoid a crisis in the alliance over the multilateral nuclear force (MLF) continues, but the resulting delay may itself be lessening the project's chances for success.

In the wake of former chancellor Adenauer's visit to Paris early last week, the Germans backed away from their previous insistence on a year-end date for an MLF charter. Bonn officials at all levels have since denied that there has been any weakening of their support for the MLF or that the decision to delay was a concession to De Gaulle. The fact of the matter appears to be that Erhard recognized both that the previous timetable could not be kept and that there were risks in West Germany's appearing overly eager to press ahead.

In any case, the time needed to examine Britain's alternative proposals has provided sufficient excuse for delay, and an initial meeting to discuss them was held by the British and West German foreign ministers on 15 November. Gordon Walker told Schroeder that London was prepared to make an irrevocable commitment of Britain's national nuclear forces to NATO. He reiterated, however, that his government still has great difficulty with the seaborne MLF envisaged up to now and would at minimum wish a sizable reduction in the force.

Other ideas expressed by the foreign secretary also seem likely to cause difficulty in Bonn. He said that the question of control over the nuclear force is of paramount importance to Britain, and he believes the US, the UK, and

West Germany should share it equally. A veto for Britain as implied by this remark is known to be unacceptable to the Germans. Gordon Walker also made it clear that London is opposed to seeing the MLF evolve toward a European deterrent by saying that Britain could not accept any "European clause" which envisaged ultimate US exclusion from the force.

Such a clause, which would probably provide for no more than a review of the MLF charter in the event European political unity is achieved, seems likely to become an important focus of future discussions. Those who think it necessary to make some gesture to De Gaulle's charge that the MLF would leave the US permanently in domination of Europe's defenses seem increasingly interested in such a clause, and it has long been advocated by European integrationists. Opponents have felt, however, that a provision of this sort would make the MLF open to the charge that it involves dissemination of nuclear weapons, and London's objections are probably based in part on this consideration.

Prime Minister Wilson's meeting with President Johnson in early December therefore shapes up as a possible watershed in the nearly four years of discussions of some kind of multilateral nuclear force. Wilson is meeting with his advisers this weekend in order to give more concrete form to his ideas in preparation for his Washington visit.

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Europe

**THE EEC AND THE KENNEDY ROUND**

The Common Market countries have surmounted one difficult obstacle on the path to their participation in the Kennedy Round. On 15 November, one day before the deadline, they reached a compromise agreement on the products they wish exempted from a general tariff cut. These exceptions will still be the subject of hard bargaining in January, however, and Kennedy Round negotiators still have to settle important differences over tariff disparities, non-tariff barriers, and other trade practices. Moreover, whether the EEC agrees on internal agricultural policies--discussed again in Brussels this week--still seems likely to determine whether the Kennedy Round can succeed.

EEC Commission officials claim that the community's exceptions list covers no more than 18.8 percent of the EEC's imports subject to duties. Only partial exceptions, i.e., reductions less than the general tariff cuts, have been claimed for some of the listed items. Others--principally in the chemical field--are listed pending further bargaining over certain US trade practices. The EEC's list is thus substantially more liberal than Italy and France, in particular, had wanted, but nevertheless longer and more protectionist than those of other major trading areas participating in the tariff negotiations. Because Common Market rules require the consent of all six members to change the list, bar-

gaining to reduce the EEC exceptions will probably be difficult.

France's retreat from its initial insistence on a longer list is probably related to its struggle with West Germany over the unification of grain prices in the EEC. Paris may have thought it unwise to risk the widespread support it commands within the EEC on the grain price question by being too tough now on the Kennedy Round. It may also have thought the prospect of progress in the Kennedy Round, which would mean larger world trade outlets for German industry, would increase domestic pressures on Chancellor Erhard not to let the grain price question prevent the Kennedy Round from proceeding.

In any case, unification of grain prices was discussed this week by the agricultural ministers in an atmosphere improved both by the advance on the Kennedy Round and by the widespread impression that Erhard is seriously looking at last for a way to agree. If Erhard has in fact so decided, however, he will still face strong domestic pressures to obtain as good compensation as possible for German farmers. Moreover, Italy now has made it clear it will require some compensation for withdrawing objections it has to certain aspects of unified prices.

The Commission, which demonstrated its crucial role in bringing about agreement on the exceptions list, will thus again have

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its skill tested in the attempt to reach a decision on grain prices in December. Not only is progress on this question a prerequisite for discussion of agricultural protection in the Kennedy Round, but the French have in addition found occasion to reiterate their view that it is also prerequisite to develop-

ment of the EEC. They have made consideration of both Bonn's and the Commission's proposals for further economic integration within the EEC dependent on substantial progress toward achieving the common agricultural policy.

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Europe

**NATIONWIDE MUNICIPAL ELECTIONS IN ITALY**

Center-left government in Italy faces a critical test in nationwide municipal elections to be held on 22 and 23 November. Should the Christian Democrats (CD) or the Socialists (PSI) suffer politically unmanageable losses, or the Communists (PCI) register noteworthy gains, a cabinet crisis followed by extreme political instability could probably not be avoided. The immediate postelection period will, in any event, be seriously troubled by problems arising from the presidential succession issue, sharp differences within the coalition parties on major policies, and prospective CD and PSI party reorganizations.

The Italian electorate has shifted leftward in every nationwide election since 1948. The trend could be accentuated in this one because the Moro government has failed to make progress on its reform program or to present any new proposals which would help the coalition parties wage a more vigorous vote-getting campaign. They may benefit somewhat, however, from recent measures to rescind a new sales tax on autos, prolong the rent freeze, and increase civil service salaries.

Whether center-left collaboration can continue will hinge in large part on the showing made by the PSI. The PSI might be able to sustain a loss of up to 600,000 votes, explaining them solely as defections to the Socialist splinter party--the PSIUP. Losses in excess of this, however, would most likely

cause the PSI to withdraw from the coalition, although possibly not until after the party's National congress reportedly planned for February or March. PSI leaders have recently been somewhat encouraged by their ability to exploit the PCI's discomfiture over recent events in the Soviet Union.

While there are some predictions of "substantial" PCI losses, it appears more likely that the party will at least hold its own and possibly gain somewhat. It has conducted an extensive campaign to bring Italians working abroad back for the elections. In the 1963 national elections, these workers' votes were an important element in the PCI electoral gains. Even if the PCI is held to its 1963 national election level--i.e., just over 25 percent of the popular vote--it stands to win many more seats in local governments than it won in the last local elections in 1960.

A poor showing by the CD would present an equally serious --if perhaps less immediate--danger to the continuation of the center left. Although most CD leaders expect the party to hold its own or increase its vote, it could lose a large element of its center and right wing to the opposition Liberal Party. Should this occur, antireform elements in the CD national leadership would be in a position to strongly influence party policies away from center-left reform goals, thus inevitably rupturing cooperation with the PSI.

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Western Hemisphere

**BOLIVIAN JUNTA MOVES TO WIN PUBLIC SUPPORT**

Members of the Bolivian junta were busy this week bringing order to their chaotic ministries, and junta president General Rene Barrientos traveled outside La Paz in search of popular support.

As part of this effort to win public favor, the junta has abolished the "oppressive" measures and organizations of the Paz regime. The state of siege and press censorship have been lifted, and the secret police organization has been abolished.

In his public speeches, Barrientos has stressed that political parties have an "unusual climate of freedom" in which to operate, but warned that any group which attempts to provoke disorder will be dealt with severely.

Political leaders, themselves hard at work to strengthen and expand their organizations, have talked much of party alliances and national fronts. Representatives of the relatively strong center-right Bolivian Socialist Falange (FSB) and of the small Social Democratic (PSD) and Bolivian Democratic Action (ADB) parties have begun discus-

sions aimed at formation of a Christian Democratic Party in which they hope to include the Social Christian Party (PSC).

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Western Hemisphere

**POTENTIAL FEDERAL-STATE CLASH IN BRAZIL**

The Brazilian Government faces a potentially critical problem as a result of efforts by the military to remove a prominent state governor from office. Army leaders insist that leftist Mauro Borges, governor of central Goias State (which surrounds the federal capital district), be arrested for subversion and graft. The charges against Borges stem from apparently documented evidence that he has permitted Communists to infiltrate his administration, has cooperated with "espionage agents" of a Communist bloc embassy in Brazil, and has misused state funds.

Tension in Goias reportedly is growing as Borges, son of the state's most powerful political boss and a leader of the important Social Democratic Party, mobilizes resistance against possible federal intervention. There appears to be only a slight chance of serious bloodshed, but scattered outbreaks of violence are possible. As a precautionary measure the army has sent combat units to reinforce the garrisons in Goiania, the state capital, and other nearby posts.

A final showdown awaits a decision by the Supreme Court on whether the army will be permitted to try Governor Borges in a military court. Borges contends he can be prosecuted

only with consent of the state legislature, in which he commands a majority, and then only by a civilian court.

An attempt by the army to oust Borges several months ago failed because the investigators did not present Castello Branco with convincing evidence. However, in view of the strength of the evidence as now presented, as well as the heavy pressure from the military leaders, the chief executive may feel compelled to intervene directly. If he does not act, he will probably incur the bitter resentment of "hardliners" among the military who are already critical of the regime's alleged laxness in eliminating corruption and subversion.

The pressure against Borges, however justified, has already strained relations between the administration and the Social Democrats, who have issued a pledge of support for the governor. It has also added to the growing concern among politicians over what they regard as undue military influence in political matters.

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Western Hemisphere

**RECENT DEVELOPMENTS STRENGTHEN DOMINICAN REGIME**

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For almost two months sugar worker unions have been demanding a harvest bonus from the government-owned sugar corporation and threatening to strike if their demands were not met. The corporation, with a 1964 deficit of \$12.5 million, has steadfastly refused to pay the bonus.

Three mills were illegally struck last week, but leftist labor leaders and opportunistic politicians have been unable to build the situation into anything approaching a general strike.

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Four recent cabinet changes have strengthened the government

and brought in men who will be more responsive to triumvirate president Donald Reid Cabral. On 10 November Reid appointed Carlos Perez Ricart, a young US-trained businessman, to head the important Ministry of Industry and Commerce. A 36-year-old Catholic priest with a solid educational background, Father Rogelio Delgado, was named secretary of state for education and fine arts. As his new secretary of state for interior and police, Reid chose Jose Batlle Nicolas, a close friend of his and an archfoe of Brigadier General Belisario Peguero, chief of the National Police. Through Batlle, Reid may try to exercise more control over the largely autonomous police force.

Fulfilling his promise to reduce government expenditures, Reid eliminated the secretary of state for justice and transferred his functions to the attorney general's office, reducing the cabinet to eleven departments. Two other ministries had been abolished on 13 October. [REDACTED]

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